# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:2642
ANSWERED ON:14.03.2016
Industrial Package
Lakhanpal Shri Raghav

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government has received any request from the State of Uttar Pradesh for providing an industrial package to the State on the lines of Uttarakhand;

(b) if so, the details thereof along with the action taken by the Government thereon;

(c) if not, whether the Government would consider an industrial package to those areas of Uttar Pradesh which are bordering the districts of Uttarakhand and have similar terrain as Uttarakhand faces similar challenges for development such as Saharanpur; and

(d) if so, the details thereof and if not, the reasons therefor?

## Answer

???????? ??? ?????? ???????????? (????????? ??????)(??????? ??????? ???????)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) & (b): No, Madam.

(c) & (d): The rationale underlying providing financial/industrial incentives to Uttarakhand was that the State suffers from locational disadvantages and topographical adversities. As a result, the state remained industrially backward which further resulted in their economic backwardness. The area based industrial incentives create economic distortions and affect economic viability of units located in non-exempt areas. Such area based incentives deny level playing field for industrial development, besides durability of investment attracted by such measures beyond the exemption period is also doubtful. Therefore, it is a considered policy of the Government to phase out such area based deductions. The present package extended to the State of Uttarakhand is already a tapered one, intended only to consolidate the gains of erstwhile package. The Government has not extended the concessions on Income Tax and Excise Duty under the current package to these States.

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